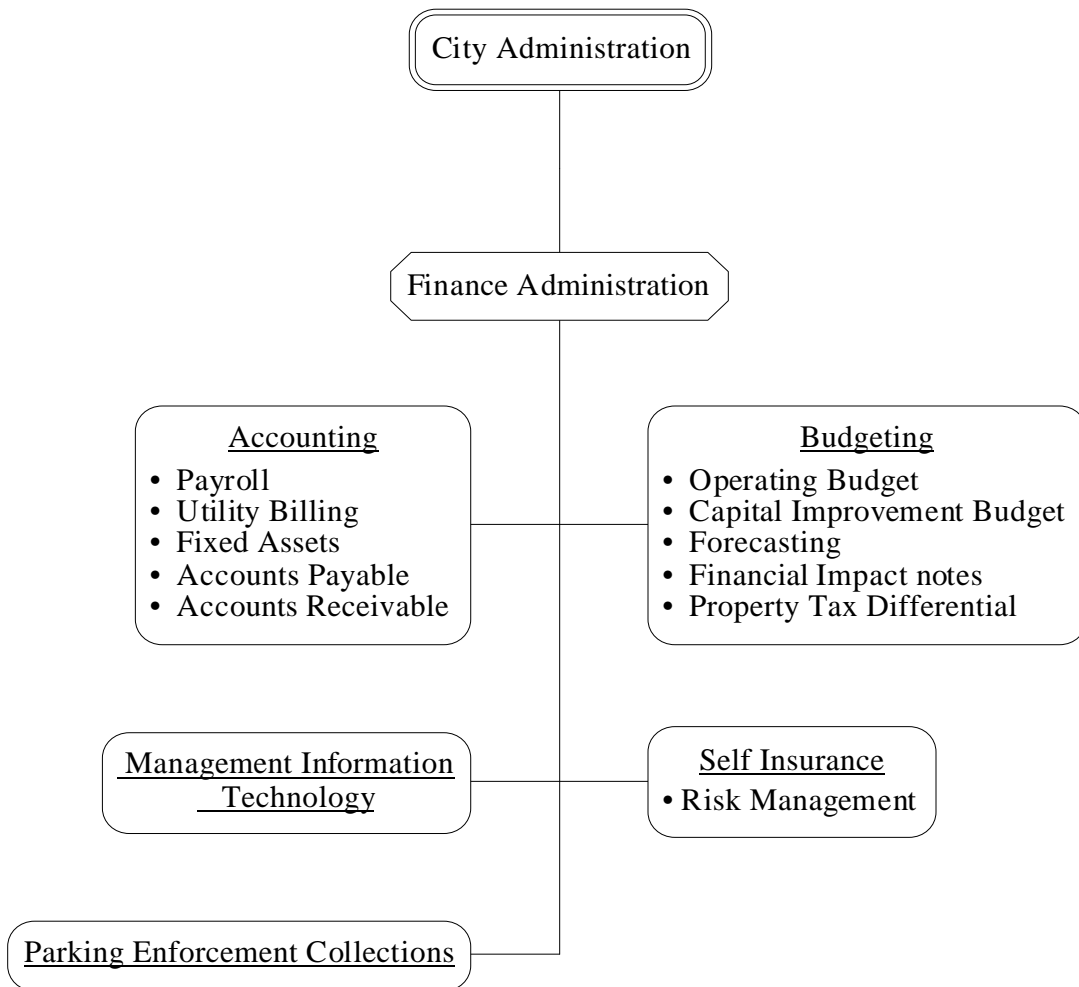


CITY OF ANNAPOLIS
Finance Department



Finance Department

Fund Support:

General Fund

Description:

The Finance Department is responsible for the systems and procedures that assure the sound and efficient functioning of the City's financial activities. The flow of financial activities begins with a plan (budget). The plan is then implemented and the transactions recorded (accounting); and finally, the results are reported (financial statements).

To make this process function smoothly, the Finance Department assists the Mayor in preparing an operating budget and a six-year capital improvements program (the first year of which is the capital budget) before the start of each new fiscal year. As each year unfolds, these budgets are carefully monitored for the extent to which actual financial transactions vary from the budget.

When the actual financial transactions occur, the Finance Department must see that all monies due the City are collected, and all City liabilities are paid on time. All cash received has to be either immediately disbursed, kept safely on hand, or invested. The Department routinely analyzes the flow of cash in and out of the City accounts for a number of purposes, not the least of which is to know the length of time a given amount of cash can be invested for short-term operating needs or for longer-term capital needs. When funds are needed that exceed the City's cash reserves, then the Department arranges to borrow them privately or

sells bonds in the open market.

The Finance Department also keeps an accurate record of all financial transactions, generates interim financial reports, and produces audited financial statements at the end of each fiscal year. More specifically, it prepares the City's payroll; it bills, collects, and accounts for City taxes, water and sewer fees, residential refuse fees and capital facilities assessments; and it maintains a file of the City government's fixed assets.

Additionally, the Finance Department analyzes non-routine financial situations, undertakes special financial projects and studies, and responds to requests for financial information from other governmental agencies and private enterprises. The Department also administers the City's self-insurance program, and maintains a computer installation that supports most of the functions mentioned above and provides, as well, computerized Management Information Technology services to other City departments.

Mission:

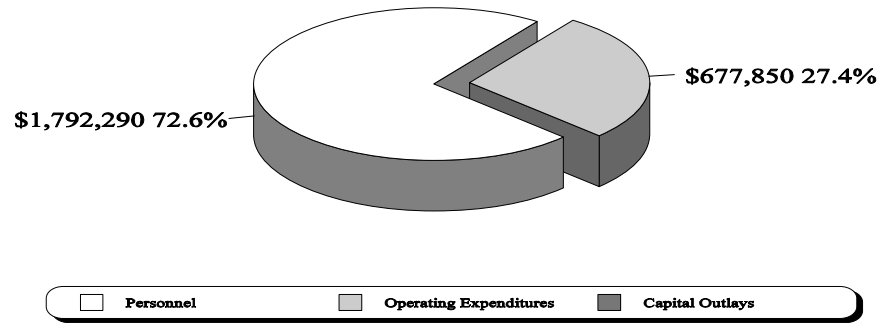
To maintain the City in a sound financial condition by managing its financial affairs comprehensively and prudently while providing operational support in delivering all required services to the citizens of Annapolis.

Goal:

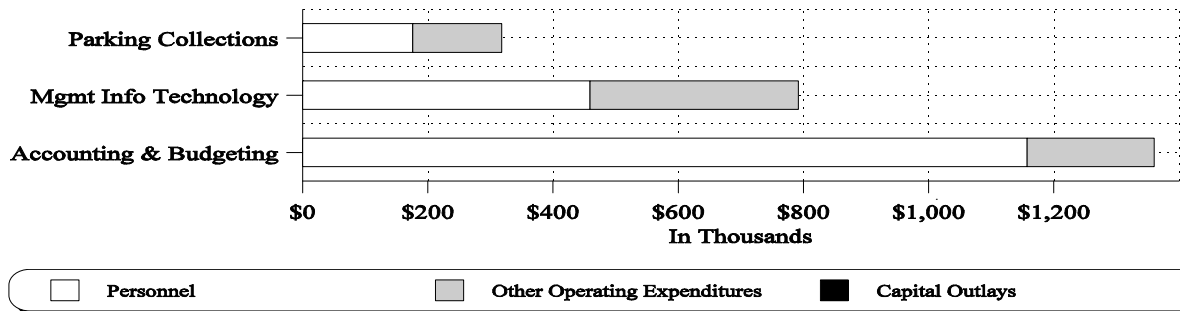
- To continue to maintain the City in a sound financial condition by managing its financial affairs comprehensively and prudently.

<i>Budget Summary</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Accounting and Budgeting	\$1,202,760	\$1,322,060	\$1,360,410	2.90%
Management Information Technology	503,530	593,620	791,800	33.39%
Parking Enforcement Collections	348,000	307,860	317,930	3.27%
Department Total	\$2,054,290	\$2,223,540	\$2,470,140	11.09%

Finance Department
Budget By Expenditure Type



Finance Department
Budget By Division



Finance Department Staffing Summary

	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>
	<i>Permanent</i>	<i>Permanent</i>	<i>Permanent</i>
Accounting and Budgeting	19	19	19
Management Information Technology	4	5	5
Parking Enforcement Collections	3	3	3
Department Total	26	27	27

Staffing Summary By Position - FY 2005 Permanent Positions

	<u>Total FTE</u>		<u>Total FTE</u>
<i>Accounting and Budgeting:</i>		<i>Management Information Technology:</i>	
Finance Director	1	MIT Manager	1
Assistant Director for Accounting	1	MIT Analyst	1
Senior Accountant	2	MIT Specialist	1
Accountant	2	Web Developer	1
Administrative Office Associate	1	MIT Engineer	1
Accounting Associate III	5		
Accounting Associate II	3	<i>Parking Enforcement Collections:</i>	
Accounting Associate I	3	Office Associate II	1
<i>Self Insurance:</i>		Accounting Associate II	1
Risk Manager	1	Accounting Associate III	1

The Management Information Technology Department has two temporary positions; a Student Intern position and a Technical Support position.

Accounting and Budgeting Division

Finance Department

General Fund

Description:

This division is responsible for preparing the City operating and capital budgets, monitoring departmental budgets, preparing tax, utility and other bills, paying all invoices, keeping all financial accounts, preparing the payroll, borrowing and investing funds, analyzing budgetary and financial accounts/situations, overseeing the City's internal financial controls, preparing budgetary and financial reports and studies, advising the Mayor and Aldermen regarding financial matters, and managing liability risks.

Services:

- Provides budgetary, accounting and financial support to the Mayor and Aldermen, City departments and committees.
- Assists customers with billing and other financial problems.
- Provides the public with budgetary and financial data.
- Acts as staff for the Finance Committee and the Police and Fire Retirement Plan Commission.
- Responds to requests from non-City persons, agencies and organizations for budgetary, accounting and financial data.

Goals:

- To make accurate projections of the approved operating budget.
- To guide the approved operating budget to a

combined surplus condition at year-end.

- To continue to receive the GFOA Distinguished Budget Presentation Award for Budget documents.
- To monitor financial accounts and assist other departments in providing efficient, cost effective services.
- To continue to receive the GFOA Certificate of Achievement for Excellence in Financial Reporting.
- To strengthen internal financial controls in other departments.
- To provide the data needed for the Mayor and Aldermen to effectively review the prepared operating budget.
- To maintain the level of claims through risk prevention that would allow the Self Insurance Fund to exist without further contributions.

Accomplishments:

- Earned the Certificate of Achievement for Excellence in Financial Reporting for fiscal years 1988 through 2002 (2003 is still under review).
- Earned the GFOA Distinguished Budget Presentation Award for fiscal years FY 1997 through FY 2004.
- Achieved current Bond ratings of Aa2 with Moody's, AA with Standard and Poor's, and AA+ with Fitch.

Accounting and Budgeting Division

- continued -

<i>Budget Summary</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Personnel	\$1,074,780	\$1,115,810	\$1,157,360	3.72%
Other Operating Expenditures	122,580	206,250	203,050	-1.55%
Capital Outlay	5,400	0	0	N/A
Total Expenditures	\$1,202,760	\$1,322,060	\$1,360,410	2.90%

Management Information Technology

Finance Department

General Fund

Description:

Maintains a central processing computer installation to support the many functions of the Finance Department. Provides Management Information Technology services to all City Departments; these services include networks and microcomputers, software upgrades, and training.

Services:

- Maintains central processing and network hardware, security, operating systems and data communications systems.
- Maintains, enhances and develops many financial integrated computer system applications using the central processing computer.
- Provides Internet and E-Mail services.
- Provides Management Information Technology and local and wide area network services to all City departments.
- Provides for training for various micro-computer applications.
- Provides for microcomputer hardware and software specifications.
- Provides centralized microcomputer hardware and software upgrades, troubleshooting and repair.

Goals:

- Provide a secure information system.

- To maintain central processing and network availability at 98%.
- Assess City information management needs and determine the best means of utilizing automated technology to address those needs.
- Ensure that the City's automated systems are being used to their full potential.

Objectives:

- Complete implementation of Comprehensive Municipal Application Project (CMAP).
- Negotiate and implement high-speed, broadband Institutional Network (I-Net) for voice and data communications in Comcast franchise agreement.
- Upgrade local area network (LAN) in City Hall and Planning and Zoning for new telephone system and voice mail.
- Implement the first year of the central Geographic Information System (GIS) plan with coordinator and consultant.
- Consolidate all electronic use policies into one policy.

Accomplishments:

- Started implementation of Comprehensive Municipal Application Project (CMAP). This is one of the core fundamental infrastructure mainstays of the five year IT Strategic Plan.
- Upgraded e-mail virus and SPAM functions.

Management Information Technology

- continued -

<i>Budget Summary</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Personnel	\$299,510	\$369,920	\$459,000	24.08%
Other Operating Expenditures	204,020	223,700	332,800	48.77%
Total Expenditures	\$503,530	\$593,620	\$791,800	33.39%

Parking Enforcement Collections

Finance Department

General Fund

Description:

Collect parking fines and fees and maintain the Residential Parking Program.

Services:

- Provide residential parking permits.
- Provide temporary parking permits.
- Collect prepaid parking fees.
- Collect parking violation fees.

Goal:

- Safeguard municipal receipts.

Objectives:

- Promptly provide temporary and residential permits.
- Accurately report and record all funds received.

Accomplishment:

- Streamlined permit application and citation adjustment process.

<i>Budget Summary</i>	<i>FY 2003 Actual</i>	<i>FY 2004 Adopted</i>	<i>FY 2005 Adopted</i>	<i>Percent Change</i>
Personnel	\$176,500	\$165,860	\$175,930	6.07%
Other Operating Expenditures	171,500	142,000	142,000	0.00%
Total Expenditures	\$348,000	\$307,860	\$317,930	3.27%